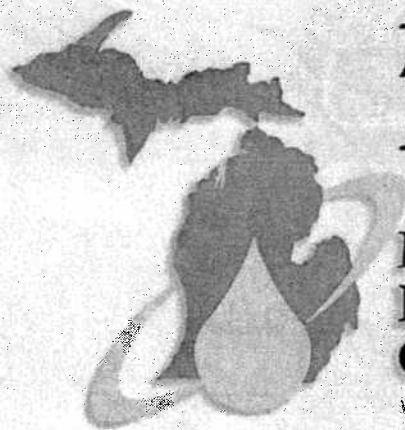


# ***Accelerating Michigan's Alternative Fuel Industry***

*Joint House and Senate  
Agriculture Committee*

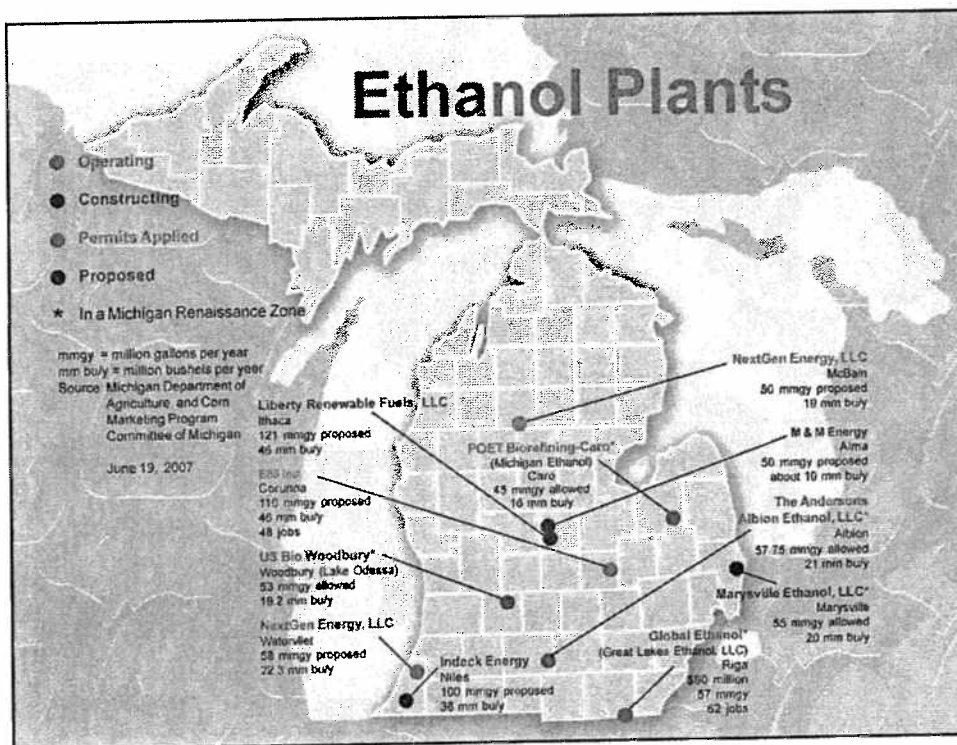
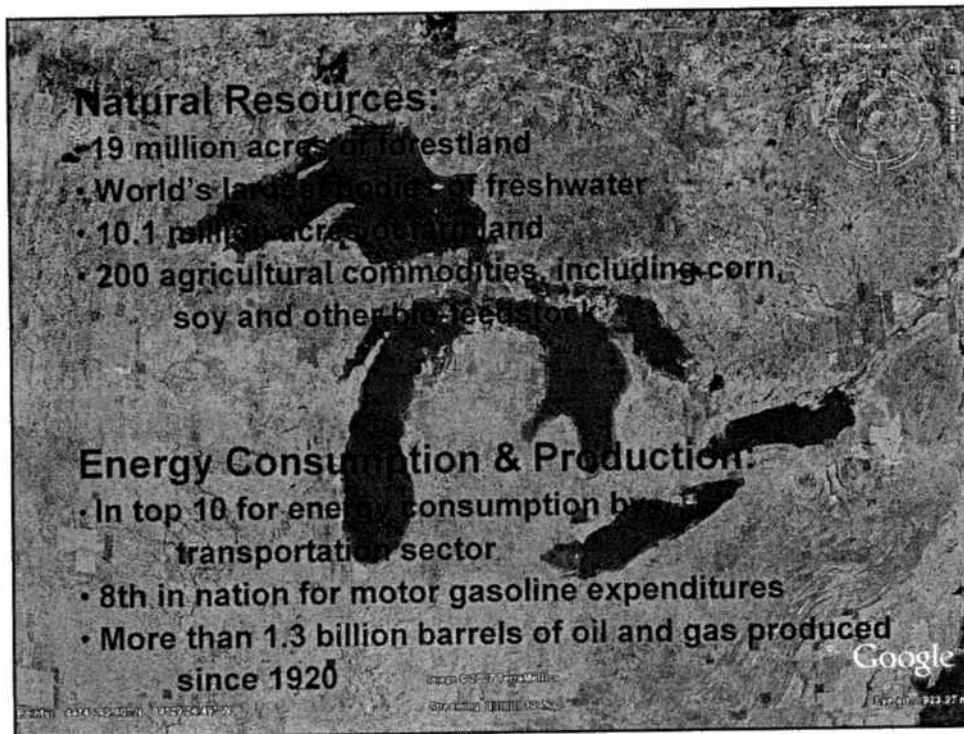
*June 21, 2007*



**Michigan  
Renewable Fuels  
Commission**

[www.renewablefuelscommission.org](http://www.renewablefuelscommission.org)





## **Fueling the Future**

---

### **21st Century Jobs Fund**

**Tax-free Renaissance Zones for agri-processing, forestry and renewable energy**

### **Alternative fuel legislation:**

- Consumer tax breaks for ethanol and biodiesel blends
- Biofuel infrastructure grants for retailers
- Creation of Renewable Fuels Commission

## **Charge of the Commission**

---

- Promote use of alternative fuels and vehicles
- Promote alternative fuel research
- Promote communication and coordination among government, private industry and Higher Education relative to alternative fuels
- Change state regulations that hinder development of alternative fuels



## **Educate the Public**

---

- Increase availability of renewable fuel vehicles (RFV) through public-private partnership, brand identification and other means (p. 33, #38)
- Make an RFV license plate or decal available for RFV owners to display (p. 33, #37)
- Consider tax policies that encourage purchases of RFVs (p. 33, #40)
- Consider a renewable fuel tax refund for commercial and fleet users (p. 33, #41)

## **Expand Biofuel Infrastructure Incentive Program**

---

- Encourage installation of biofuel equipment at service stations
- Initiate round of grants totaling \$7 million
- Increase maximum grant amount from \$12,000 to \$20,000
- Change law to provide that no more than 30 percent of grants are spent in any one county and no more than 50 percent of total grants go to any one company (p. 27, #15)

## Create a 'Green Retailers' Program

---

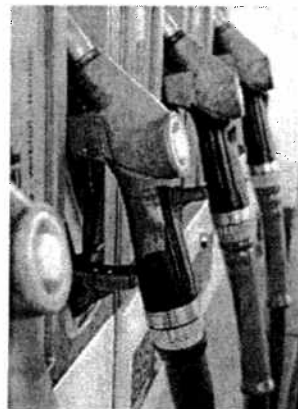
- Reward retail and wholesale outlets reaching benchmarks in sale of biofuels through tax incentives
- Support infrastructure development needs for E85 and B20
- Accelerate Michigan's plan to use a minimum of 10 percent alternative fuels in its transportation sector by 2012 (p. 28, #22-25) and 25 percent by 2025 (p. 33, #26)



## Enable Distribution

---

- Change state laws to enable motor fuel franchise dealers/distributors to obtain biofuels from supplier other than franchise distributor
- Provide for penalties if distributor discourages dealer from buying/selling biofuels (p. 27, #17)



## **Be Biobusiness Friendly**

---

- Consolidate renewable fuels-related promotion and economic development efforts (p. 24, #7)
- Identify, publish, and market an inventory of prime sites for co-location of new renewable fuel plants with existing facilities (p. 25, #13)



## **Establish Biomass Processing Centers**

---

- Facilitate commercialization of various feedstocks for renewable energy production
- Create with prospective biomass customers in mind
- Fund with state, local and federal resources, and matching funds from a partnering research university (p. 25, #10d)



## **Provide Incentives**

---

- Craft incentive package of at least \$200 million for developers of early-stage technology projects and processing centers
- Use \$50 million from 21st Century Jobs Fund over two years, and \$150 million from other sources over following three years (p. 27, #10a)
- Reserve at least six tax-free renewable energy renaissance zones for new facilities that utilize cellulosic materials for renewable fuel production. (p. 28, #4)

## **Explore/Develop New Funding Source**

---

- Aggressively pursue federal grant opportunities
- Assess state's ability to monetize non-earmarked revenue generated from state-owned oil, gas, and forest reserves (p. 28, #10b)

## **Next Steps**

---

- **Generate public awareness, support**
- **Commission to function as catalyst for action**
- **Pursue renewable fuels legislation**
- **Explore funding for incentives**

